

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2000-436

May 31, 2000

CENTRAL MAINE POWER COMPANY
Proposed Tariff Revision for Optional
Targeted Service Rate Summer Voluntary
Interruptible Service (Rate S-VOL-IR)

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order, we allow Central Maine Power Company's (CMP) Summer Voluntary Interruptible Service rate schedule to become effective on June 1, 2000. We also allow CMP to cancel its existing interruptible rate schedules.

II. BACKGROUND

On May 17, 2000, CMP filed a proposed voluntary interruptible rate schedule. The rate schedule implements a NEPOOL interruptible program that is administered by the ISO New England (ISO-NE). CMP made its filing pursuant to the pricing flexibility criteria approved by Order dated July 13, 1999 (Docket No. 99-155). CMP asks that the rate schedule become effective June 1, 2000, the date the NEPOOL interruptible program is expected to begin. CMP also requests to cancel its current summer and winter interruptible rate schedules.

The NEPOOL interruptible program is intended to curtail demand at times of high energy prices and during capacity shortages when the demand for electricity is high relative to supply levels. The program is part of an effort to address circumstances that occurred last summer when capacity became constrained and prices rose to very high levels.

Under the proposed rate schedule, customers will be compensated on a kWh basis, per interruption event. The compensation amount will be based on what CMP receives from ISO-NE for each event, less \$0.05 per kWh to cover CMP's costs. The rate schedule specified as originally filed that CMP would not be obligated to enter any interruptible contracts after July 1, 2000. Based on conversation with staff, on May 25, 2000, CMP modified its rate schedule to remove the language that relieves it of entering interruptible contracts after July 1, 2000.

CMP requests cancellation of its current summer voluntary rate schedule because it is replaced by the new NEPOOL program. CMP seeks to cancel its winter rate schedule because it no longer has load-serving obligations and the winter schedule was based on the old NEPOOL capacity obligation formula.

III. DECISION

We disagree with CMP that this rate schedule is appropriately filed under its existing pricing flexibility criteria. Those criteria are intended to allow CMP certain flexibility in discounting its T&D rates to maximize the Company's revenue. A rate schedule to implement a NEPOOL interruptible program is of a different character and is not covered by the pricing flexibility criteria. Thus our review and approval of CMP's filing is under a general reasonableness standard.

NEPOOL's effort to avoid capacity shortages and mitigate high energy prices is in the public interest. Thus, CMP's decision to seek participation in the program is reasonable. Accordingly, we approve the rate schedule and order it into effect on June 1, 2000. For the reasons stated by CMP, we approve the cancellation of CMP's current interruptible rate schedules.

Accordingly, we

O R D E R

1. That rate schedule Rate S-VOL-IR, as filed on May 25, 2000, is hereby approved and shall become effective June 1, 2000.
2. That rate schedule Rate IR-S-VOL is cancelled effective June 1, 2000.
3. That rate schedule IR-W-VOL is cancelled effective June 1, 2000.

Dated at Augusta, Maine, this 31st day of May, 2000.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
Nugent
Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.